

New Housing Laws

Changes and Impacts

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The Region



- 6 Counties
- 187 Cities
- 38,000 square miles
- 18 million people
- 10th largest economy in the world



Resolving Regional Challenges

1.5 million people added between 2000 and 2004

**Population Growth Swamps Entitlement
Process and Transportation System**

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RHNA Performance Summary

- Nearly 1/2 million permits issued over the current RHNA cycle
- Collectively, Region exceeds targets, but production is still not enough
- Median Home Price bid up to \$500,000, while median household income is just over \$50,000

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RHNA Performance Summary

- Eleven of 14 subregions meet targets, but more than 1/2 of all jurisdictions fall short
- Highest performing subregions for construction are lowest performing in affordable category, while highest performing in affordable category are lowest in attracting market rate housing

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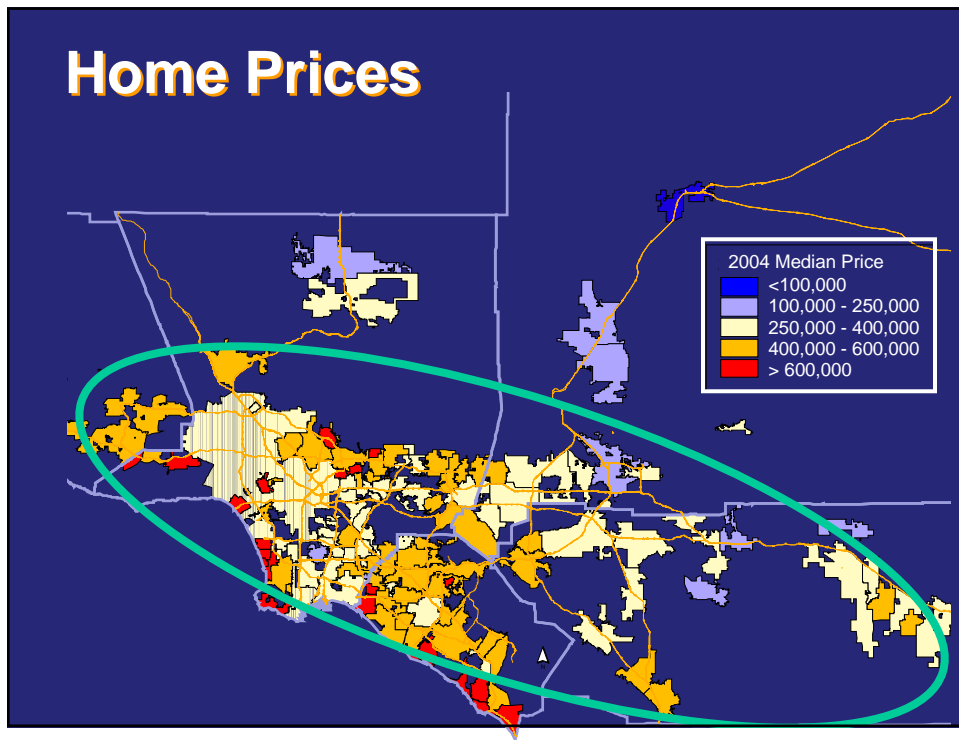
SCAG RHNA Allocation (January 1998 - June 2005) and Housing Performance (January 1998 - February 2005) by County and Subregion

SCAG County and Subregion	RHNA Total Construction Need ¹	New Housing Units Permitted 1/1998 through 2/2005	Building Permit Issuance as a Percent of Total Construction Need ²
Imperial County	12,500	6,983	56%
LA County Total	179,003	132,557	74%
LA County Unincorp.	52,202	21,682	37%
Arroyo Verdugo	8,473	2,689	32%
City of Los Angeles	60,481	51,600	85%
Gateway Cities	11,077	7,844	71%
Las Virgenes	475	1,658	349%
North LA County	24,240	19,116	79%
San Gabriel	12,313	15,762	128%
South Bay	6,218	8,308	134%
Westside Cities	3,524	3,898	111%
Orange County	75,502	75,125	100%
Riverside County Total	93,593	152,475	163%
Riverside County Unincorp.	30,677	47,078	153%
Coachella Valley	8,451	35,881	425%
Western Riverside	54,465	69,516	128%
San Bernardino County	57,652	72,244	125%
Ventura County	19,734	24,295	123%
SCAG Region Total	437,984	463,679	106%

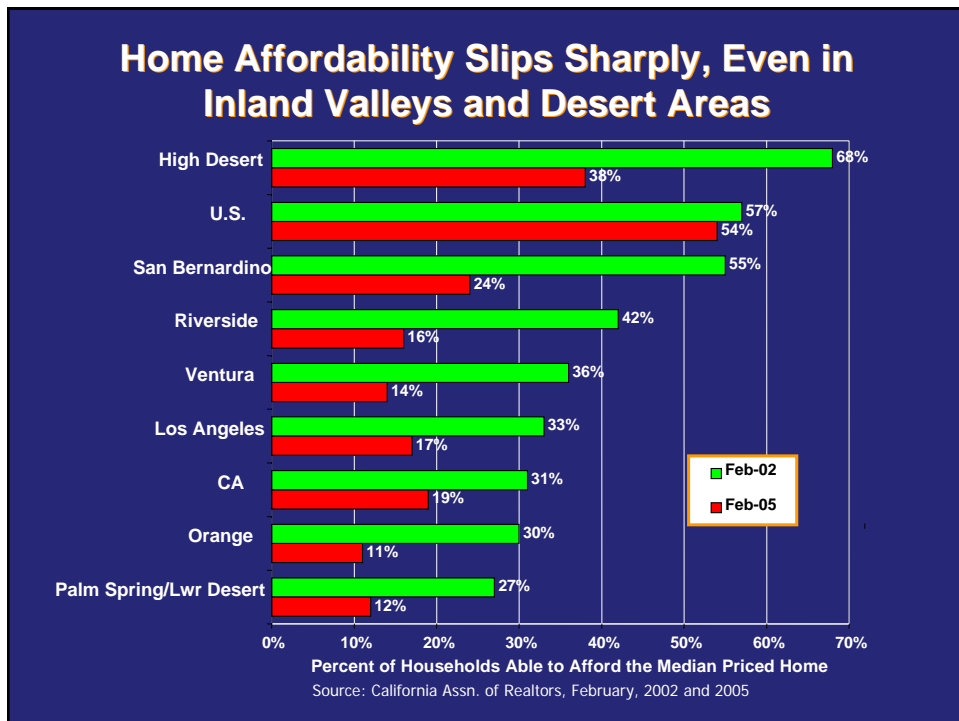
¹ RHNA Planning Period: January 1, 1998 through June 30, 2005

² The RHNA Planning Period is 90 months long. As of February 2005, eighty-six months or 95.6% of the planning period has passed. Subregions that have permitted new housing units for 95.6% or more of their needs are meeting or exceeding their goals. These subregions are highlighted in bold text.

Home Prices



Home Affordability Slips Sharply, Even in Inland Valleys and Desert Areas



Affordable Home Price

\$300,000

Down Payment

\$30,000

Assuming 10%

Qualifying Income

\$84,000 - \$108,000

Assuming 28% - 36%

Total Monthly Payment

\$2,400

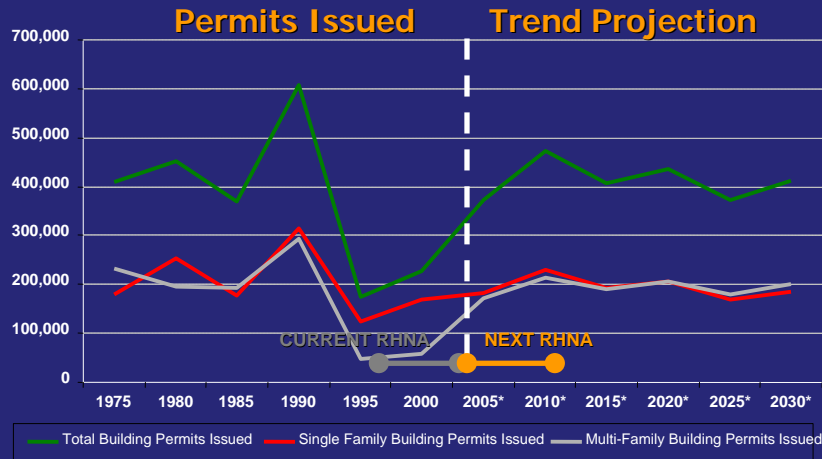
Includes PMI

Source: LA Times, Income Calculator Results

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Single Family and Multi-Family Housing Trends in Southern California



Sources: Construction Industry Research Board & SCAG RTP Trend Projection

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New Housing Laws AB 2158 and AB 2348



- Regional Housing Needs Assessment and Housing Element reform
- Subregional Delegation
- Continued efforts to reform housing laws and building rules

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Positive Changes

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Regional Perspective

- Better coordination with other regional plans, notably the RTP. Includes option to utilize RTP schedule and 6 year planning horizon
- More specific definition of sub-regional roles and expanded responsibilities

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Regional Perspective

- Better consultation process on regional total number, including official appeal
- Better definition of responsibilities. Less open ended on local allocation methodology and appeals process

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Local Perspective

- Explicit opportunity to submit information to the COG.
- Clearer definitions of responsibility, more predictable process.
- More public process, more transparency.

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Housing Perspective

- Much clearer definition of adequate sites/by right responsibilities in the Housing Element should lead to more housing.

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**Bad/Questionable,
or Remains to be
Seen Changes**

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Regional Perspective

- Process has more required steps, and will almost certainly take longer
- Required methodology factors are too numerous, and several lack usable data sources
- Local survey will create surplus of information with no clear direction on how to use it. Could create unreasonable expectations for locals

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Regional Perspective

- Complex residential land suitability analysis
- A down turn in permit issuance will cause communities and subregions to waiver on numbers
- New fee based approach for funding RHNA process!

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Subregional Delegation

- Formation of subregional entities: terms and conditions compact
- Expectations are high: local survey, public hearings, draft methodology & required factors
- Fair Share and social equity issues related to “Countywide distribution”

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Subregional Delegation

- Conflict resolution and mediation
- Appeals: Region-Subregion, County-City and City-City Issues
- The 7% dilemma and possible adjustments to non-appealing jurisdictions
- Funding uncertainty and liability protection

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Local Perspective:

- Process will be hard to follow, especially in the far flung SCAG region
- Incentive to minimize need as strong as ever
- Incentive to appeal
- No substantial improvements on trade and transfer

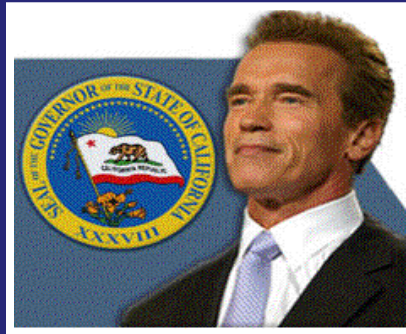
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Local Perspective:

- Little substantial improvements on rehab credit
- No agreement on local/performance-based certification
- Assessing builders for RHNA fee reimbursement!

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The Governor's Reform Proposal



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Governor's Reform Proposal

- Calls for cities and counties to designate enough land to meet 20 years of housing needs - "Take Care of their Own."
- Expands by-right housing development with certain minimum densities to prevent cities and counties from adding permit conditions in areas zoned for housing

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Governor's Reform Proposal

- Housing elements would be updated only once a decade (rather than every five years)
- Additional reporting requirements and potential fines for noncompliance
- Calls for cracking down on ballot measures that restrict growth and limits environmental review of a project if there has been prior environmental analysis

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California Infill Parcel Locator

A tool for the Residential Land
Suitability and Capacity Analysis

<http://drake.gisc.berkeley.edu/>

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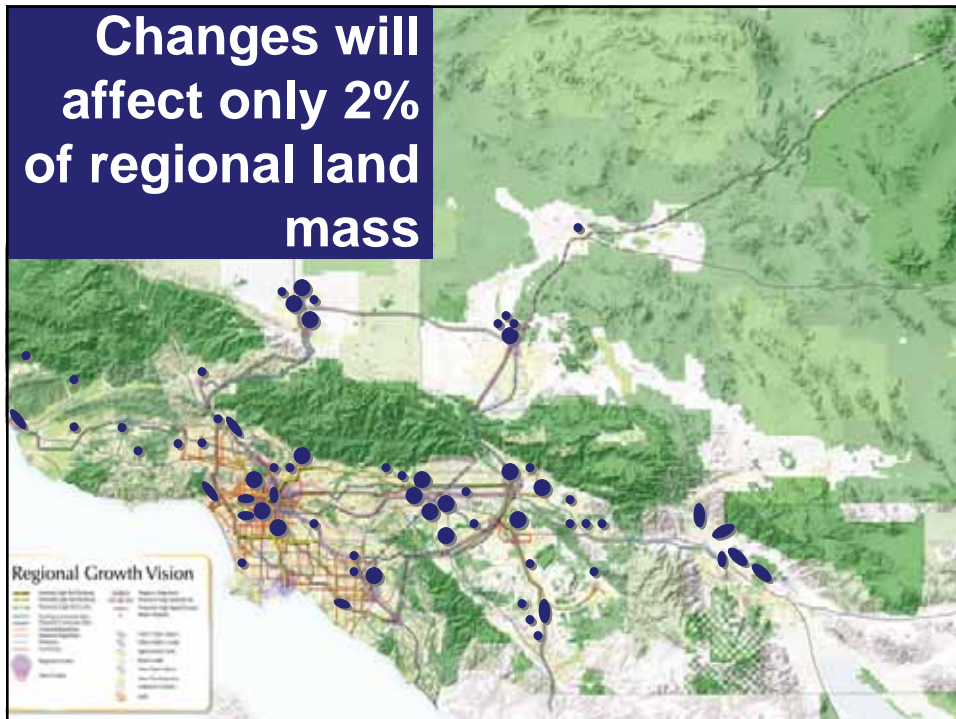
New Developer Planning Tool



- Can map eligible parcels:
 - at regional level
 - neighborhood level
 - parcel level
- Quantifies the current # of units on the parcels and calculates the net new number of units various strategies could yield
- Caters to the needs of developers, planners, city officials and policy makers
- Website: Lots.ucla.edu

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**Changes will
affect only 2%
of regional land
mass**





Thank You

Joe Carreras, Frank Wen, Hsi-hwa Hu, and Jacob Lieb

please visit us at www.scag.ca.gov